

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 130009-EI  
FLORIDA POWER & LIGHT COMPANY

IN RE: NUCLEAR POWER PLANT COST RECOVERY AMOUNT  
FOR THE YEAR 2014

REBUTTAL TESTIMONY & EXHIBITS OF:

TERRY O. JONES

COM	5
AFD	1
APA	1
ECO	1
ENG	1
GCL	1
IDM	5
TEL	1
CLK	1-Ct Ref

1                                   **BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

2                                   **FLORIDA POWER & LIGHT COMPANY**

3                                   **REBUTTAL TESTIMONY OF TERRY O. JONES**

4                                   **DOCKET NO. 130009-EI**

5                                   **JULY 5, 2013**

6  
7       **Q.     Please state your name and business address.**

8       A.     My name is Terry Jones and my business address is 700 Universe Boulevard, Juno  
9             Beach, FL 33408. I am employed by Florida Power & Light Company (“FPL” or  
10            “the Company”) as Vice President, Nuclear Power Uprate.

11       **Q.     Have you previously provided testimony in this docket?**

12       A.     Yes.

13       **Q.     What is the purpose of your rebuttal testimony?**

14       A.     My rebuttal testimony addresses the direct testimony provided by the Office of Public  
15             Counsel’s (OPC’s) Witness William Jacobs.

16       **Q.     Please summarize your rebuttal testimony.**

17       A.     It is extremely disappointing that Witness Jacobs and OPC have made serious false  
18             accusations – particularly when they had ample opportunity to review documents  
19             provided to them by FPL and ask me in my deposition to clarify any question or  
20             confusion on their part. They could have done so prior to filing Witness Jacobs’s  
21             testimony. They chose instead simply to make the accusations.

22  
23             The Extended Power Uprate (EPU) project has been a large and complex project,  
24             involving millions of pages of data, spreadsheets, engineering drawings, schedules,

1 work orders, and other project information. The project is coming to a successful  
2 close, presently delivering 522 megawatts electric (MWe) of incremental nuclear  
3 capacity and energy to FPL's customers. In the course of the project and the Nuclear  
4 Cost Recovery (NCR) proceeding, FPL has made all of this information available to  
5 the parties, Florida Public Service Commission (Commission) staff, and  
6 Commissioners, and has done so in a forthright and transparent manner. FPL takes  
7 serious exception to the unfounded attacks on its credibility.

8  
9 Witness Jacobs's assertion that the Turkey Point forecast at the time of the hearing  
10 was \$214.9 million more than at the time of FPL's April 27, 2012 filing is wrong. In  
11 fact, this claim alone contains \$163 million in errors. Additionally, his claim that  
12 FPL's April 27, 2012 estimate of Turkey Point costs to be incurred in 2012 was  
13 understated is not accurate. He also ignores the fact that the total EPU project cost  
14 forecast at the time of the hearing was within the project non-binding cost estimate  
15 range filed in April 2012, and that I testified at the hearing that the cost of the project  
16 (which necessarily included the 2012 estimated costs) remained subject to change.

17  
18 Witness Jacobs's arguments stem from his repeated (and repeatedly rejected) attempt  
19 to split the EPU project into two pieces – one at St. Lucie and one at Turkey Point –  
20 when it was proposed, approved, and pursued as one project. In fact, FPL could not  
21 have delivered the over 400 MWe it was commissioned to provide by performing  
22 only half the project.

1           Once again, Witness Jacobs has not identified a single imprudent management action  
2           or decision in the year subject to review that caused the project costs to increase.  
3           Instead, he has attempted to develop a recommended disallowance that is not based  
4           on imprudence, but on unwarranted accusations.

5           **Q. Are you sponsoring any rebuttal exhibits in this case?**

6           A. Yes. I am sponsoring the following exhibit, which is attached to my rebuttal  
7           testimony:

- 8           • TOJ-27, OPC Witness Jacobs's \$163 Million of Errors in \$215 Million False  
9           Accusation

10          **Q. Did OPC take your deposition before filing its testimony?**

11          A. Yes.

12          **Q. During your deposition, did OPC seek to clarify any of the issues that they  
13          included in OPC Witness Jacobs's testimony as accusations?**

14          A. No, they did not.

15          **Q. Did OPC submit any written discovery in an effort to clarify any of the issues  
16          that they have included in Witness Jacobs's testimony as accusations?**

17          A. No. I am dissatisfied that OPC did not ask me for clarifications on these issues before  
18          accusing me or the Company of misrepresentations to the Commission.

19          **Q. Does the Nuclear Cost Recovery process anticipate a lapse in time between the  
20          utility's pre-filed current year estimates and the hearing?**

21          A. Yes. The Nuclear Cost Recovery Rule, Rule 25-6.0423, requires the utility to file  
22          prior-year costs by March 1<sup>st</sup>, current and subsequent year costs by May 1<sup>st</sup>, and  
23          requires the Commission to conduct a hearing and make its determinations by

1           October 1<sup>st</sup> of each year. Obviously the utility's current and subsequent year  
2           projections reflect a snapshot in time that is clearly identified as such and then moved  
3           into the record at the time of the hearing. This is also true in the other clause dockets.  
4           OPC's witness should be familiar with the clause true-up process and appears to be  
5           blaming FPL for not perfectly predicting its costs. Of course, if any utility could do  
6           that, there would be no need for the true-up process that occurs in the following year  
7           in every clause.

8           **Q. Please describe FPL's overall approach with respect to providing information to**  
9           **the Commission and to NCR parties.**

10          A. The EPU project has always been an open book, transparent to the Commission and  
11          the parties of the NCR process. Each year FPL has provided copies of cost forecasts,  
12          monthly cost reports, monthly operating performance reports, contracts, invoices,  
13          correspondence, and many other documents requested by the parties. In 2012, FPL  
14          produced 63,906 pages of information to Commission Audit staff and 35,581 pages of  
15          information to parties in discovery. Additionally, EPU personnel including me are  
16          interviewed by Audit Staff each year. I have also been available for deposition each  
17          year. These, in addition to my testimony each year, are the numerous avenues by  
18          which the Company provides information to the Commission and parties concerning  
19          the EPU project.

20          **Q. In responding to these accusations in further detail below, you've included**  
21          **several documents as part of TOJ-27. Were these documents in OPC's**  
22          **possession prior to its filing of Witness Jacobs's testimony?**

1 A. Yes. Each of the documents referenced in my Exhibit TOJ-27 was either included as  
2 an exhibit to my April 27, 2012 filing, included as an exhibit to my August 1, 2012  
3 supplemental filing, or provided to OPC in response to OPC's First Request for  
4 Production of Documents No. 1 on April 11, 2013, more than two months before  
5 OPC witness Jacobs's testimony was due to be filed with the Commission.  
6

7 **Witness Jacobs's Incorrect Attempt to Evaluate Turkey Point in Isolation (Again)**  
8

9 **Q. Witness Jacobs begins by attempting to quantify the cost of the Turkey Point**  
10 **portion of the EPU project and points to the differences between the Turkey**  
11 **Point and the St. Lucie plants. Please respond.**

12 A. For three years now, OPC has attempted to examine the Turkey Point portion of the  
13 EPU project in isolation. For three years, I and other FPL witnesses have explained  
14 why such an exercise is inappropriate. To summarize:

- 15 • In 2007, FPL proposed and the Commission approved the EPU project as a  
16 single project to meet the need for 400 MWe by 2012.
- 17 • The objective of the project was to produce an additional 400 MWe using  
18 nuclear fuel that required four reactors to be uprated at two sites, as it could  
19 not have been done with only two reactors at one site.
- 20 • Efficiencies and cost savings have been realized in contract negotiations and  
21 through resource sharing by working the uprate of all four units as a single  
22 project.

- 1           • Since the beginning, FPL has acknowledged the differences between the  
2           Turkey Point and St. Lucie portions of the EPU project. FPL has never  
3           claimed each site would represent 50% of the project cost.
- 4           • The feasibility of the EPU project has always been based on the total cost and  
5           total benefits of the project, and not on just a portion of the project.

6           Dr. Sim responds to Witness Jacobs’s faulty claim that the cost of the Turkey Point  
7           portion, when viewed in isolation, is “uneconomic.”

8           **Q. Has such an attempt to split the EPU project into two pieces been rejected in the**  
9           **past?**

10          A. Yes. In 2011, Witness Jacobs recommended, “[t]he St. Lucie and Turkey Point  
11          projects should be looked at separately in the analysis, with a break-even cost  
12          identified for each project.” (2011 NCR Hearing Transcript p. 1031) His reasoning,  
13          as summarized by the Commission, was that “the project should be broken up into  
14          two separate analyses due to the higher estimated capital costs of the Turkey Point  
15          plant portion of the uprate project” (Order No. PSC-11-0547-FOF-EI, p. 40) – the  
16          same reasoning Witness Jacobs presents this year. In 2012, Witness Jacobs  
17          recommended, “[t]he Commission should revisit the decision to permit FPL to  
18          continue to treat the economics of the EPU projects on a consolidated basis[.]” (2012  
19          NCR Hearing Transcript, p. 1296-1297) In both cases the Commission rejected  
20          Witness Jacobs’s recommendations.

21          **Q. Did the Commission’s order explain why it rejected Witness Jacobs’s**  
22          **recommendations?**

23          A. Yes. In 2011, the Commission concluded:

1            “We agree with FPL that a separate economic analysis for each of the EPU  
2            project plant is unnecessary, and would be difficult to calculate. While a  
3            mathematical average of the benefits derived from lessons learned and  
4            equipment bulk orders can be developed, it is not known if these would have  
5            materialized if only one plant was upgraded. Therefore, completing separate  
6            analyses would incorrectly attribute to the individual plants the benefits  
7            gained from performing uprates at both plants simultaneously.” (Order No.  
8            PSC-11-0547-FOF-EI, p. 40)

9            In 2012, the Commission rejected Witness Jacobs’s attempt to split the project into  
10           two pieces for similar reasons, quoting its 2011 order. (Order No. PSC-12-0650-  
11           FOF-EI, p. 66)

12  
13           Because the Commission repeatedly rejected the premise for separately analyzing the  
14           Turkey Point costs, it is wrong for Witness Jacobs to assert that knowledge of higher  
15           Turkey Point costs in 2012 would have somehow supported a different Commission  
16           conclusion on this point.

17           **Q.    Are there benefits unique to the Turkey Point portion of the EPU project**  
18           **ignored by Witness Jacobs?**

19           A.    Yes, the 242 additional MWe that are being provided by the Turkey Point portion of  
20           the EPU are most valuable since they are generated very near where FPL’s customers  
21           have the highest demand for electricity in FPL’s service territory as indicated in  
22           Exhibit TOJ-17. In addition, the Turkey Point portion of the EPU project has

1 significantly improved FPL's grid stability and reliability, thereby further benefitting  
2 FPL's customers.

3  
4 **Witness Jacobs's Incorrect Criticisms and Accusations Regarding Prior Testimony**

5  
6 **Q. On page 20, Witness Jacobs criticizes your 2011 characterization of FPL's 2011**  
7 **non-binding cost-estimate as "highly informed." Please respond.**

8 A. In my July 25, 2011 rebuttal testimony, I characterized the 2011 non-binding cost  
9 estimate as "highly informed." However, Witness Jacobs has taken my statement out  
10 of context. The full context of my statement was that the 2011 non-binding cost  
11 estimate was highly informed *relative to the non-binding cost estimates of previous*  
12 *years.* (2011 NCR Hearing Transcript, p. 1208-1209) This was the case because FPL  
13 had achieved the completion of LAR engineering, achieved the completion of about  
14 70% of the design engineering, and had information learned from the early stages of  
15 implementation. In April 2011, we knew what modifications needed to be  
16 implemented to accomplish the EPU project. Accordingly, I stand by my statement  
17 that the 2011 non-binding cost estimate range was "highly informed" in comparison  
18 to the previous years' non-binding cost estimate.

19  
20 I also disagree with Witness Jacobs's assertion that this description is inconsistent  
21 with my description of the 2011 non-binding cost estimate a year later as a "Rough  
22 Order of Magnitude." Of course, in the subsequent months we determined how we  
23 would implement the modifications and encountered complexities and discovery

1 during the implementation process. Exhibit TOJ-7 provides a detailed description of  
2 the complexities and discovery encountered during the 2012 EPU implementation  
3 outages. I would have welcomed the chance to discuss this with OPC in my  
4 deposition before Witness Jacobs decided to make the accusations he has made.

5 **Q. Please respond to the claim that your detailed descriptions and justifications of**  
6 **scope increases (and resulting cost increases) demonstrate imprudence of**  
7 **“failing to... accomplish advanced engineering at the outset” or incorporate an**  
8 **adequate contingency, at page 25.**

9 A. These two theories were raised by Witness Jacobs in the 2011 and 2012 NCR  
10 dockets, respectively, and rejected by the Commission. As I have indicated  
11 previously on numerous occasions, the EPU project was initiated and approved to  
12 deliver approximately 400 MWe by 2012. Therefore, it was necessary to perform the  
13 project in four overlapping phases. Had the four phases been performed in series, the  
14 project would have taken much longer thus delaying the benefits to customers, and  
15 the total cost to customers would have been greater. Therefore, it was entirely  
16 prudent to complete the project in four overlapping phases and deliver the megawatts  
17 to our customers as planned.

18 **Q. Did FPL include an adequate contingency during the course of the EPU project?**

19 A. Yes. Throughout the EPU project, FPL has maintained a goal to provide a reasonable  
20 amount of contingency in order to control project costs. FPL believes that if a very  
21 large contingency is established, such as the level of contingency that a contractor  
22 would include in a fixed price proposal for a scope of work with many uncertainties,  
23 then the ability to control project costs would be diminished. In April 2012, FPL

1 established a reasonable contingency of \$100 million (\$90 million for PTN and \$10  
2 million for PSL) with a to-go estimate of \$978 million (\$743 million at PTN and  
3 \$235 million at PSL). Thus the total contingency was approximately 10% of the to-  
4 go estimate.

5 **Q. Turning to 2012, Witness Jacobs states that FPL estimated it would spend \$688**  
6 **million on the Turkey Point portion of the EPU project in 2012, when it actually**  
7 **spent \$975 million on the Turkey Point portion of the EPU project in 2012.**  
8 **Please explain the vintage of and basis for FPL's \$688 million estimate.**

9 A. My testimony filed on April 27, 2012 included Actual Estimated (AE) 2012 costs  
10 which were based on actual costs through February 2012 and estimated costs for  
11 March through December 2012. As I explained in my April 27, 2012 testimony,  
12 these costs were based on a number of forecasts. Specifically, I testified as follows:

13 "The estimated project costs were developed from Project Controls forecasts  
14 derived from the best available information for all known project activities in  
15 2012. Included in the forecasts are the vendor long lead material contracts  
16 that have scheduled milestone payments in 2012. Cash flows are based upon  
17 the latest fabrication and delivery schedule information. Each major labor  
18 related services vendor forecast is based upon the original awarded value and  
19 all approved changes. Added to this, where applicable, would be an estimate  
20 of any known pending changes to arrive at a best forecast at completion for  
21 each vendor. Owner engineering and project management support forecasts  
22 are derived from approved detailed staffing plans. Cash flows are developed  
23 for each approved position based on the expected assignment duration and

1 expected overtime, where applicable. The large construction related vendor  
2 forecasts are based upon previous experience, known scope(s) of work,  
3 productivity factors related to outage conditions and prevailing pertinent wage  
4 rates. Cash flow projections for items identified in the Risk Register are based  
5 upon anticipated engineering, material procurement, and outage  
6 implementation time horizons.” (2012 NCR Hearing Transcript, p. 1059)

7 FPL recognizes, with the benefit of hindsight, that it underestimated its 2012 EPU  
8 costs, including those it estimated for Turkey Point. Contrary to Witness Jacobs’s  
9 claim (at page 25) that I have not “justified the discrepancy” between estimated and  
10 actual 2012 costs, the reasons for the variance are fully explained in my March 1,  
11 2013 testimony, particularly Exhibit TOJ-7, which details the numerous complexities  
12 and discovery issues encountered during EPU implementation after preparation of the  
13 April 27, 2012 filing.

14  
15 It is also important to recognize that both the \$688 million figure and the \$975  
16 million figure cited by Witness Jacobs exclude removal costs, EPU recoverable O&M  
17 costs, transmission capital costs, and transmission recoverable O&M costs. I will  
18 explain this later in my testimony.

19 **Q. When you testified at the Nuclear Cost Recovery hearing in September of 2012,**  
20 **did you indicate that the \$688 million estimate included in your prefiled**  
21 **testimony was FPL’s current or final estimate of Turkey Point costs?**

1 A. No. To the contrary, I was very clear in indicating that total project costs – which  
2 included 2013 Turkey Point estimates – remained subject to change. Specifically, I  
3 testified as follows:

4 “As I have stated before, this [non-binding cost estimate] range is subject to  
5 change, especially as we incorporate our lessons learned from the recently  
6 completed Unit 3 construction effort and finalize our plan for our fourth and  
7 final reactor. I expect to complete that effort by the end of October[.]” (2012  
8 NCR Hearing Transcript, p. 1078)

9 During cross examination, OPC specifically asked me whether the total project cost  
10 increase presented in 2012 was the “final refinement” of project costs, and I answered  
11 that it was not. (2012 NCR Hearing Transcript, p. 1351) These statements were  
12 made to communicate that project costs could increase and I believe OPC took them  
13 as such.

14 **Q. Witness Jacobs asserts at page 21 that FPL’s Response to OPC’s Interrogatory**  
15 **No. 3 demonstrates that you knew the April 27, 2012 estimate was understated**  
16 **when you testified in September 2012. Please respond.**

17 A. This interrogatory response appropriately reflects information known in 2013,  
18 looking back at actual 2012 costs. Therefore it includes information that was not  
19 available to me in 2012. This is a question that seemingly should have been asked of  
20 me at my deposition, before Witness Jacobs or OPC made a decision to accuse me of  
21 misrepresentation.

22 **Q. Witness Jacobs also asserts that you knew at the time of the hearing that Turkey**  
23 **Point project costs to be incurred in 2012 were expected to be \$214.9 million**

1           **higher than stated in your April 27, 2012 filing based on the document he**  
2           **includes as his Exhibit WRJ-6. Please respond.**

3           A.     The document to which he refers is one page from a 2012 monthly cost report.  
4           Witness Jacobs uses this document to conclude that I knew that the total Turkey Point  
5           costs were going to be \$214.9 million higher than what was included in my April 27,  
6           2012 testimony. Neither his contention nor his conclusion is accurate.

7  
8           His contention that FPL was forecasting 2012 expenditures for the Turkey Point EPU  
9           project to be \$214.9 million more than the amount that I presented in my April 27,  
10          2012 filing is not accurate. In fact, Witness Jacobs's assertion contains \$163 million  
11          in errors. Based on Witness Jacobs's methodology, but using corrected information,  
12          one would conclude that the Turkey Point 2012 cost forecast had increased by about  
13          \$52 million since the April 27, 2012 filing. More importantly, as discussed further  
14          below, the total EPU project cost forecast had not exceeded the filed non-binding cost  
15          estimate range. A careful review of documents in OPC's and Witness Jacobs's  
16          possession at the time they prepared his testimony and a better understanding of the  
17          basis for the two figures he purports to compare would have revealed this.  
18          Alternatively, asking me about this in my deposition on June 17, 2013 would have  
19          been far preferable to making accusations that I and the Company misrepresented  
20          information to the Commission.

21          **Q.     Please explain the \$163 million in errors contained in Witness Jacobs's**  
22          **accusation.**

1 A. Exhibit TOJ-27 demonstrates and documents the \$163 million in errors made by  
2 Witness Jacobs, any one or all of which could have been prevented by Witness Jacobs  
3 had he used the information in his possession or that of OPC, and/or had asked me  
4 about this during my deposition.

5  
6 In summary, OPC Witness Jacobs's three main errors as demonstrated in Exhibit  
7 TOJ-27 include:

- 8 • First, the \$688 million figure he cites is not comparable to the \$903 million  
9 figure he cites because the \$688 million excludes EPU removal costs and EPU  
10 recoverable O&M costs whereas the figure shown on WRJ-6 includes these  
11 costs. In my April 27, 2012 testimony, FPL estimated \$49,177,296 for the  
12 Turkey Point portion of 2012 EPU removal costs and \$11,335,592 for the  
13 Turkey Point portion of 2012 EPU recoverable O&M. Thus, \$748,862,001  
14 (\$688,349,113 + \$49,177,296 + \$11,335,592) would be the correct starting  
15 point for Witness Jacobs's suggested comparison.
- 16 • Second, the \$902,911,971 figure cited by Witness Jacobs from page 4 of the  
17 Turkey Point EPU Project Monthly Cost Review Meeting report dated August  
18 16, 2012 is simply an incorrect figure. The correct August 2012 forecast of  
19 2012 Turkey Point EPU costs is \$847,980,263, which is shown on both pages  
20 2 and 3 in the very same document, and is nearly \$55 million less than the  
21 basis for Witness Jacobs's claim.
- 22 • Third, approximately \$47 million of the remaining difference of \$99 million  
23 (\$847,980,263 - \$748,862,001) is due to two accelerated vendor payments

1                   which were moved from 2013 to 2012 that were not included in the April 27,  
2                   2012 estimate of 2012 costs.

3  
4                   Witness Jacobs's total error is thus \$163 million.

5  
6                   Therefore, Witness Jacobs's claim that FPL knew and did not tell the Commission  
7                   that the Turkey Point costs for 2012 were understated by \$214.9 million at the time of  
8                   the 2012 hearing is false. It is extremely disappointing to be subjected to such  
9                   accusations by Witness Jacobs and OPC, particularly when any questions or concerns  
10                  that they may have had could have been readily answered and resolved prior to filing  
11                  OPC's testimony. It is clear that there is no basis for Witness Jacobs's accusation and  
12                  both OPC's accusation and requested "remedy" should be rejected by the  
13                  Commission.

14               **Q.    What was the status of FPL's total project cost forecast compared to its non-**  
15               **binding cost estimate as of September 2012?**

16               A.    As of September 2012, FPL's total EPU project cost forecast had been increasing and  
17               remained within the non-binding cost estimate range filed on April 27, 2012. For that  
18               reason, I made it clear during the 2012 hearing that FPL's non-binding cost estimate  
19               was still subject to change, as discussed earlier in this testimony.

20  
21               Additionally, during the 2012 hearing, I testified that I expected the total installed  
22               cost per kilowatt, upon completion of the EPU project, to be about the same as that  
23               reflected in the company's 2012 filing. Now that implementation work is complete, I

1 can report that the total installed cost per kilowatt is in fact about the same as it was  
2 estimated to be last year. Using the upper end of last year's non-binding cost estimate  
3 range, the cost per kilowatt was estimated to be \$6,429. Using the mid-point of the  
4 range (the cost assumed for feasibility purposes), the cost per kilowatt was estimated  
5 to be \$6,224. This year, the installed cost per kilowatt is estimated to be \$6,510  
6 which is only about 1.3% higher than last year's estimate using the high end of that  
7 range, and about 4.6% higher than last year's estimate using the mid-point of that  
8 range.

9 **Q. What is the total MWe output of the EPU project reflected in this installed cost**  
10 **per kilowatt calculation?**

11 A. The EPU project is now providing 522 MWe to FPL's customers, based on recently  
12 completed testing. This reflects an additional 10 MWe as compared to my May 1,  
13 2013, testimony, all of which has been obtained from Turkey Point Unit 4.

14 **Q. On pages 23-24, Witness Jacobs alleges that because FPL's estimated 2012**  
15 **Turkey Point labor force was only 6% lower than FPL's actual 2012 Turkey**  
16 **Point labor force, FPL must have known what its 2012 Turkey Point costs would**  
17 **be and intentionally understated those costs in its April 27, 2012 filing. Please**  
18 **respond.**

19 A. This is Witness Jacobs's sole basis stated in his testimony for his claim. Witness  
20 Jacobs is incorrect. Like his other allegation, this claim is deeply flawed and does not  
21 support his serious and offensive accusation.

22

1 I have testified on a number of occasions that man hours is the primary cost driver.  
2 However, the number of workers needed is only half the equation – the other half is  
3 *the number of hours those workers work*. The outage durations, increased pre-outage  
4 work, and required overtime all drive the man hour costs. The Turkey Point Unit 3  
5 outage completion extended from August 4, 2012 to September 5, 2012, and  
6 significant overtime (and some added personnel) was required to prepare for the  
7 Turkey Point Unit 4 outage. These issues, which were not reflected in my April 27,  
8 2012 cost estimates, contributed to an increase in 2012 costs. Thus, there was no  
9 intentional understating of costs in April 2012 and it is irresponsible for Witness  
10 Jacobs to claim otherwise.

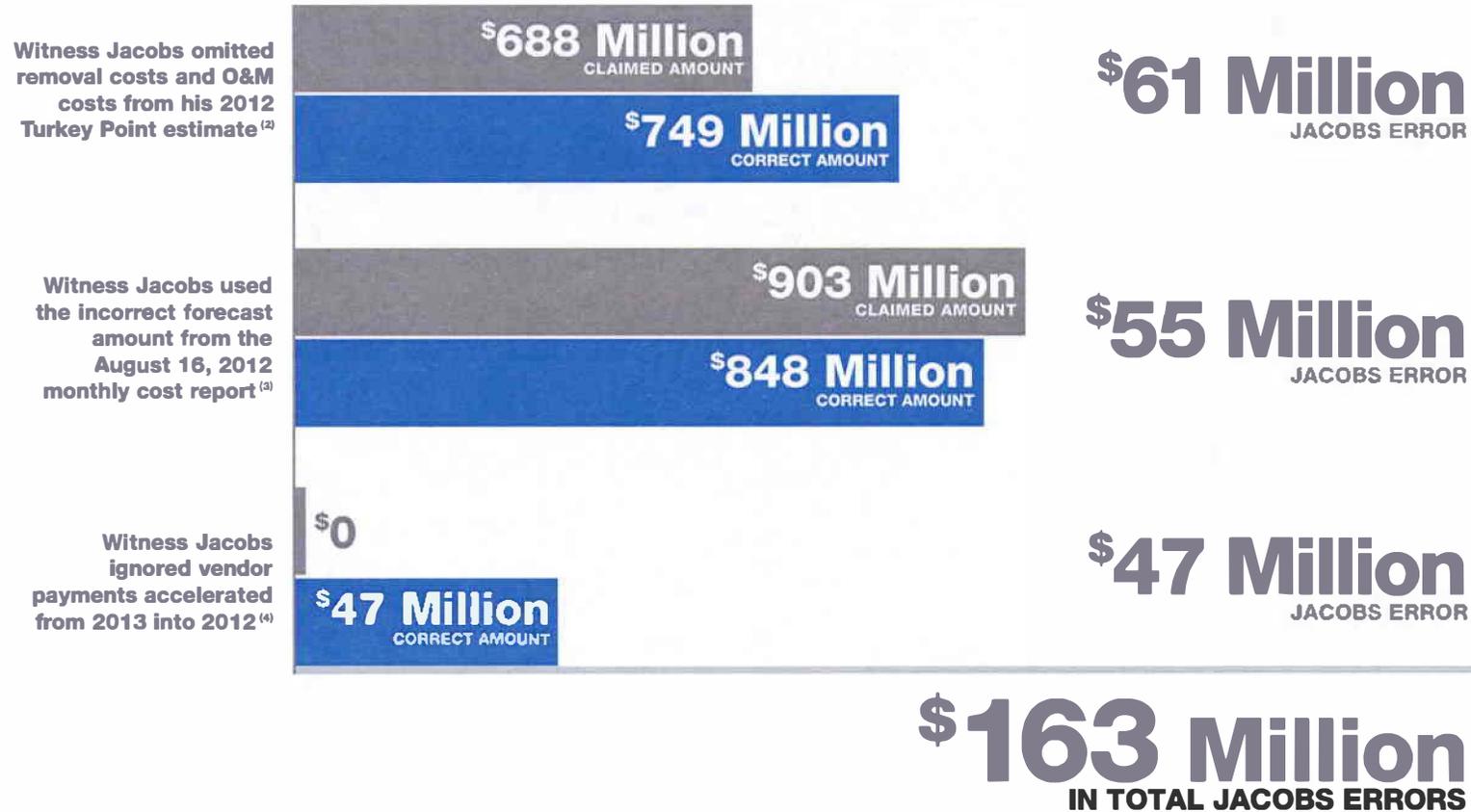
11 **Q. Does Witness Jacobs identify any imprudent project management actions or**  
12 **decisions in 2012 that caused the EPU project cost to increase?**

13 A. No. Witness Jacobs has not identified a single imprudent management action or  
14 decision in 2012, nor does he claim the disallowance he recommends was caused by  
15 any imprudent action or decision in 2012.

16 **Q. Does this conclude your rebuttal testimony?**

17 A. Yes.

## OPC Witness Jacobs's \$163 Million of Errors in \$215 Million False Accusation<sup>(1)</sup>



OPC Witness Jacobs's \$163 Million of Errors in \$215 Million False Accusation  
Exhibit TOJ - 27, Page 1 of 10

Docket No. 130009-EI

(1) Witness Jacobs's false allegation: "When Mr. Jones testified in September, internally FPL was forecasting the 2012 expenditures for the Turkey Point EPU project to be \$214.9 million more than the amount that Mr. Jones presented to this Commission." (p. 23 Lines 5-7)

(2) \$749 million includes removal costs and operating and maintenance (O&M) costs. \$688 million excludes removal costs and O&M costs.

(3) Correct number of \$848 million reported on pages 2 and 3 of the PTN EPU Monthly Cost Review meeting report dated 8/16/2012. Witness Jacobs used incorrect number of \$903 million reported erroneously on page 4 of the same document.

(4) One accelerated vendor payment was discussed in Exhibit TOJ-28 to August 1, 2012 Supplemental Testimony; the other is discussed in the PTN EPU Monthly Cost Review meeting report dated 8/16/2012.

**Explanation of Amounts Presented on TOJ - 27, Page 1 of 10**

<u>Line</u>	<u>Amount (\$)</u>	<u>TOJ - 27</u> <u>Cross-Ref.</u>	<u>Previously Provided*</u>
1	<b><u>Witness Jacobs's Incorrect \$688 Million Amount</u></b>		
2	8,983,686	Page 3 of 10	Exhibit TOJ-23, Page 2 of 4
3	17,412,344	Page 3 of 10	Exhibit TOJ-23, Page 2 of 4
4	32,778,315	Page 3 of 10	Exhibit TOJ-23, Page 2 of 4
5	628,207,353	Page 4 of 10	Exhibit TOJ-23, Page 3 of 4
6	967,415	Page 5 of 10	Exhibit TOJ-23, Page 4 of 4
7	Witness Jacobs's Incorrect 2012 Turkey Point		
8	<u>688,349,113</u>		
9			
10	<b><u>Corrected \$749 Million Amount</u></b>		
11	Witness Jacobs's Incorrect 2012 Turkey Point		
12	688,349,113		(see above)
13	49,177,296	Page 4 of 10	Exhibit TOJ-23, Page 4 of 4
14	11,335,592	Page 5 of 10	Exhibit TOJ-23, Page 4 of 4
15	<u>748,862,001</u>		
16			
17	<b><u>Witness Jacobs's Incorrect \$903 Million Amount</u></b>		
18	Incorrect PTN Forecast per August Monthly		
19	<u>902,911,971</u>	Page 9 of 10	Bates Stamp Number FPL 006126
20			
21	<b><u>Corrected \$848 Million Amount</u></b>		
22	Corrected PTN Forecast per August Monthly		
23	<u>847,980,263</u>	Pages 7 and 8 of 10	Bates Stamp Numbers FPL 006124 and 006125
24			
25	<b><u>Witness Jacobs's Incorrect \$0 Amount</u></b>		
26	Witness Jacobs failed to account for two		
27	accelerated vendor payments (from 2013 to 2012)		
28	<u>0</u>		
29	<b><u>Corrected \$47 Million Amount</u></b>		
30			
31			
31	Witness Jacobs failed to account for two		
32	<u>47,000,000</u>	Page 10 of 10	Bates Stamp Number FPL 006132 (and TOJ-28 to Aug 1, 2012 Supplemental Testimony)

\* Attached documents are highlighted and annotated for clarity

Docket No. 120009-EI  
 EPU Actual/Estimated 2012 Summary Cost Tables  
 Exhibit TOJ-23, Page 2 of 4

**Table 2. 2012 Licensing Costs**

Category	2012 Actual/Estimated Costs
<b>St. Lucie (PSL) License Amendment Request (LAR)</b>	\$17,087,333
<b>Turkey Point (PTN) License Amendment Request (LAR)</b>	<b>\$8,983,686</b>
<b>Total Licensing</b>	<b>\$26,071,019</b>

**Table 3. 2012 Engineering and Design Costs**

Category	2012 Actual/Estimated Costs
<b>St. Lucie (PSL)</b>	
FPL and staff augmentation engineering	\$7,253,671
<b>Turkey Point (PTN)</b>	
FPL and staff augmentation engineering	<b>\$17,412,344</b>
<b>Total Engineering and Design</b>	<b>\$24,666,015</b>

**Table 4. 2012 Permitting Costs**

Category	2012 Actual/Estimated Costs
<b>St. Lucie (PSL)</b>	\$0
<b>Turkey Point (PTN)</b>	\$0
<b>Total Permitting</b>	<b>\$0</b>

**Table 5. 2012 Project Management Costs**

Category	2012 Actual/Estimated Costs
<b>St. Lucie (PSL)</b>	
FPL, staff augmentation, and regulatory accounting	\$19,494,825
<b>Turkey Point (PTN)</b>	
FPL, staff augmentation, and regulatory accounting	<b>\$32,778,315</b>
<b>Total Project Management</b>	<b>\$52,273,140</b>

Amount refers back to TOJ-27, page 2 of 10

Docket No. 120009-EI  
 EPU Actual/Estimated 2012 Summary Cost Tables  
 Exhibit TOJ-23, Page 3 of 4

**Table 6. 2012 Power Block Engineering, Procurement, etc. Costs**

Category	2012 Actual/Estimated Costs
<b>St. Lucie (PSL)</b>	
FPL Procured Long Lead Material	\$24,148,198
Turbine Generator Equipment procured from Siemens	\$37,558,738
Siemens Labor - Alliance Agreement	\$48,025,173
Bechtel EPC Contract	\$118,866,727
Station Indirect Outage Costs	\$22,155,957
Growth in Scope - Scope & Contingency	\$42,843,381
Engineering and Implementation Vendors Other than Bechtel and Siemens - (Shaw/SWEC, NRC Fees, Shaw Construction, AMES, Bartlett, Williams, Master Lee, GS4, FPL personnel in start-up testing support, employee training support, in processing personnel, QA /QC technicians, Instrumentation and Controls technicians, procedure writers, document control support and other outage support personnel, plus some materials, equipment, fuel and construction consumables)	\$50,222,006
Adjustments (removal costs)	(\$17,098,481)
<b>St. Lucie (PSL)</b>	<b>\$326,721,699</b>
<b>Turkey Point (PTN)</b>	
FPL Procured Long Lead Material	\$47,827,487
Turbine Generator Equipment procured from Siemens	\$29,659,103
Siemens Labor - Alliance Agreement	\$70,914,024
Bechtel EPC Contract	\$381,938,706
Station Indirect Outage Costs	\$20,467,351
Growth in Scope - Scope & Contingency	\$8,367,000
Engineering and Implementation Vendors Other than Bechtel and Siemens - (Enercon, Feedforward, Flowserve, L3 Communications Mapps, Numerical Applications, Sargent & Lundy, Structural Integrity Associates, Techcom International, Western Services Corp., and Zachry, Shaw Construction, Williams coatings, radiation protection and waste characterization, temporary facilities, temporary power, equipment rental, site security modifications, bussing and race track parking, ultrasonic testing, and micro piles)	\$118,210,978
Adjustments (removal costs)	(\$49,177,296)
<b>Turkey Point (PTN)</b>	<b>\$628,207,353</b>
<b>Total Power Block Engineering, Procurement, etc.</b>	<b>\$954,929,052</b>

Amount refers back to TOJ-27, page 2 of 10

Docket No. 120009-EI  
 EPU Actual/Estimated 2012 Summary Cost Tables  
 Exhibit TOJ-23, Page 4 of 4

**Table 7. 2012 Non-Power Block Engineering, Procurement, etc. Costs**

Category	2012 Actual/Estimated Costs
St. Lucie (PSL)	\$111,010
Turkey Point (PTN)	<b>\$967,415</b>
<b>Total Non-Power Block Engineering, Procurement, etc.</b>	<b>\$1,078,425</b>

**Table 8. 2012 Recoverable O&M Costs**

Category	2012 Actual/Estimated Costs
<b>St. Lucie (PSL) and Turkey Point (PTN)</b>	
Non capitalizable Inspections & Other Minor Scopes	\$9,782,951
Obsolete inventory write-off	\$5,087,173
Non capitalizable computer hardware and software, office furniture and fixtures for new project-bound hires, incremental staff and augmented contract staff.	\$413,209
<b>Total Recoverable O&amp;M</b> <span style="float: right;"><b>Note (1)</b></span>	<b>\$15,283,333</b>

**Table 9. 2012 Transmission Costs**

Category	2012 Actual/Estimated Costs
Plant Engineering	\$11,132,042
Line Engineering	\$30,000
Substation Engineering	\$763,289
Line Construction	\$210,000
Substation Construction	\$15,252,202
<b>Subtotal</b>	<b>\$27,387,533</b>
Recoverable O&M	\$2,606
<b>Total Transmission</b>	<b>\$27,390,139</b>

**Note (1):**

PSL O&M	\$3,947,741
PTN O&M	<b>\$11,355,592</b>
<b>Total O&amp;M</b>	<b>\$15,283,333</b>

**CONFIDENTIAL**

**PTN EPU Project**  
**Monthly Cost Review Meeting**  
**08/16/12**

**Docket No. 130009-EI**  
**OPC Witness Jacobs's \$163 Million of Errors in**  
**\$215 Million False Accusation**  
**Exhibit TOJ - 27, Page 6 of 10**

**FPL 006123**  
**NCR-13**

CONFIDENTIAL

**Cash Flow By Cost Center**  
**PTN EPU PROJECT - TOTAL / FORECAST**

MONTH / YEAR	1	2	3	4	5	6	7	8	9	10	11	17	19	12	18	20	TOTALS	TOTALS Less O&M	
					FPL ENG.	FPL PM	MINOR ENGINEERING AND OTHER	LONG LEAD MATERIAL			Implementation Support Contractors			STATION OUTAGE CHARGES	RISK	O&M			
TOTALS 2008	\$ 7,365,365	\$ 67,412	\$ 4,972,707	\$ 527,649	\$ 2,644,477	\$ 6,201,099	\$ 690,310	\$ 10,036,311	\$ 9,130,188	\$ 66,439	\$ 392,198	\$ -	\$ -	\$ -	\$ -	\$ 73,864	\$ 42,146,710	\$ 42,073,155	
TOTALS 2009	\$ 19,042,071	\$ 1,711,476	\$ 9,177,468	\$ 27,021,928	\$ 6,896,008	\$ 10,391,207	\$ 501,088	\$ 36,516,332	\$ 7,602,248	\$ 9,276	\$ 2,338,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 121,206,696	\$ 121,206,696	
TOTALS 2010	\$ 3,834,763	\$ 1,413,876	\$ 4,211,664	\$ 80,218,131	\$ 9,031,779	\$ 12,741,266	\$ 6,860,673	\$ 21,041,905	\$ 12,696,297	\$ 111,403	\$ 9,124,616	\$ -	\$ -	\$ 316,267	\$ -	\$ 6,737,146	\$ 166,138,672	\$ 160,401,428	
Jan-11	\$ (40,899)	\$ -	\$ 48,078	\$ 8,190,456	\$ 819,171	\$ 1,023,939	\$ 733,589	\$ 603,022	\$ -	\$ -	\$ 2,086,866	\$ -	\$ -	\$ -	\$ -	\$ 840	\$ 13,465,122	\$ 13,464,282	
Feb-11	\$ 249,748	\$ -	\$ 76,111	\$ 6,886,621	\$ 849,494	\$ 1,098,649	\$ 371,044	\$ 683,264	\$ -	\$ 33,529	\$ 1,826,099	\$ -	\$ -	\$ -	\$ -	\$ 840	\$ 12,074,210	\$ 12,074,370	
Mar-11	\$ 354,178	\$ -	\$ 98,878	\$ 14,186,070	\$ 1,184,985	\$ 1,548,323	\$ 609,450	\$ 1,488,524	\$ 11,235,074	\$ 18,372	\$ 3,584,234	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 34,308,089	\$ 34,308,089	
Apr-11	\$ 19,644	\$ -	\$ 238,759	\$ 17,914,265	\$ 1,438,603	\$ 1,972,631	\$ 1,366,664	\$ 2,979,698	\$ -	\$ -	\$ 2,263,917	\$ -	\$ -	\$ -	\$ 600,795	\$ 1,278,660	\$ 30,063,626	\$ 28,784,866	
May-11	\$ 698,380	\$ -	\$ 399,694	\$ 18,182,678	\$ 967,422	\$ 1,221,441	\$ 774,749	\$ 1,394,574	\$ 1,747,662	\$ -	\$ 4,228,309	\$ -	\$ -	\$ 104,452	\$ -	\$ 446,983	\$ 28,119,244	\$ 27,672,261	
Jun-11	\$ 242,844	\$ 71,664	\$ 314,152	\$ 10,456,296	\$ 1,067,053	\$ 1,448,468	\$ 1,558,024	\$ 1,430,992	\$ 13,072	\$ 18,127	\$ 2,069,185	\$ -	\$ -	\$ -	\$ -	\$ 767,140	\$ 19,448,016	\$ 18,680,876	
Jul-11	\$ 720,400	\$ -	\$ 198,008	\$ 14,886,687	\$ 817,141	\$ 787,667	\$ 1,188,181	\$ 531,491	\$ -	\$ -	\$ 1,239,849	\$ -	\$ -	\$ -	\$ -	\$ 1,644,374	\$ 22,003,698	\$ 20,369,224	
Aug-11	\$ 964,786	\$ 16,247	\$ 349,893	\$ 14,402,268	\$ 982,643	\$ 991,606	\$ 1,433,991	\$ 2,286,107	\$ 7,268,421	\$ -	\$ 2,280,208	\$ -	\$ -	\$ -	\$ -	\$ 18,760	\$ 30,995,007	\$ 30,976,267	
Sep-11	\$ 286,380	\$ 55,787	\$ 248,634	\$ 16,346,320	\$ 1,285,418	\$ 2,039,137	\$ 348,218	\$ 615,685	\$ 11,740,449	\$ -	\$ 4,723,724	\$ -	\$ -	\$ -	\$ -	\$ 1,121,484	\$ 38,810,236	\$ 37,688,752	
Oct-11	\$ 717,086	\$ -	\$ 260,269	\$ 18,576,398	\$ 864,383	\$ 1,489,006	\$ 677,176	\$ 1,494,806	\$ 1,766,323	\$ 109,327	\$ 2,977,530	\$ -	\$ -	\$ -	\$ -	\$ 203,102	\$ 29,044,395	\$ 28,841,293	
Nov-11	\$ 482,440	\$ 373,814	\$ 77,422	\$ 20,089,368	\$ 884,134	\$ 2,009,081	\$ 1,841,889	\$ 5,145,191	\$ 153,442	\$ 629	\$ 4,123,981	\$ -	\$ -	\$ -	\$ -	\$ 1,066,868	\$ 36,248,228	\$ 36,191,370	
Dec-11	\$ 648,834	\$ 195,374	\$ 180,890	\$ 34,923,942	\$ 1,386,473	\$ 2,101,378	\$ 1,151,475	\$ 4,984,415	\$ 3,055,640	\$ 2,167,951	\$ 4,798,336	\$ -	\$ -	\$ -	\$ -	\$ 1,240,465	\$ 66,813,671	\$ 55,573,206	
TOTALS 2011	\$ 5,242,821	\$ 712,896	\$ 2,480,778	\$ 196,038,164	\$ 12,638,820	\$ 17,742,166	\$ 11,944,460	\$ 23,637,768	\$ 36,979,983	\$ 2,348,938	\$ 34,243,938	\$ -	\$ -	\$ 706,247	\$ -	\$ 7,779,496	\$ 361,393,342	\$ 343,813,846	
Jan-12	\$ 1,326,931	\$ -	\$ 297,664	\$ 33,071,542	\$ 892,240	\$ 1,701,193	\$ 687,343	\$ 1,576,194	\$ 6,763,865	\$ 2,279,848	\$ 6,018,278	\$ -	\$ -	\$ -	\$ -	\$ 263,571	\$ 63,978,669	\$ 63,714,998	
Feb-12	\$ 1,064,264	\$ 924,062	\$ 309,864	\$ 53,874,272	\$ 1,361,622	\$ 3,194,372	\$ 1,348,868	\$ 6,868,382	\$ 2,244,638	\$ 3,728,015	\$ 8,776,160	\$ -	\$ -	\$ -	\$ -	\$ 181,632	\$ 83,066,938	\$ 82,884,406	
Mar-12	\$ 145,312	\$ 44,800	\$ 272,942	\$ 39,690,062	\$ 1,296,737	\$ 3,238,595	\$ 1,379,571	\$ 143,951	\$ 1,662,041	\$ 9,697,826	\$ 10,931,740	\$ -	\$ -	\$ 4,180,173	\$ -	\$ 138,812	\$ 72,721,681	\$ 72,582,849	
Apr-12	\$ 32,148	\$ -	\$ 37,876	\$ 105,410,806	\$ 1,449,198	\$ 3,079,786	\$ 1,623,774	\$ 4,802,843	\$ 37,386	\$ 10,174,680	\$ 11,166,331	\$ -	\$ -	\$ 2,027,844	\$ -	\$ 726,408	\$ 140,658,949	\$ 139,832,641	
May-12	\$ 774,901	\$ (196,374)	\$ 312,206	\$ 52,981,141	\$ 1,462,481	\$ 3,533,845	\$ 2,471,862	\$ 2,433,864	\$ 4,381,950	\$ 7,672,177	\$ 19,232,684	\$ -	\$ -	\$ -	\$ -	\$ 61,027	\$ 97,742,307	\$ 97,681,280	
Jun-12	\$ 86,918	\$ -	\$ 810,837	\$ 42,629,000	\$ 1,048,600	\$ 3,010,968	\$ 2,426,412	\$ 1,663,174	\$ 695,833	\$ 1,663,174	\$ 14,145,121	\$ -	\$ -	\$ -	\$ -	\$ 5,054,981	\$ 77,568,460	\$ 77,480,799	
Jul-12	\$ 145,882	\$ -	\$ 955,846	\$ 47,751,993	\$ 1,530,996	\$ 3,495,202	\$ 895,510	\$ 1,816,212	\$ 5,372,413	\$ 1,262,645	\$ 23,583,450	\$ 45,857	\$ -	\$ -	\$ -	\$ 4,181,705	\$ 81,905,662	\$ 81,927,711	
Aug-12	\$ 60,000	\$ -	\$ 400,000	\$ 25,609,064	\$ 1,460,000	\$ 2,840,454	\$ 1,882,833	\$ 10,003,088	\$ 4,282,029	\$ 3,488,887	\$ 13,106,110	\$ 600,000	\$ -	\$ -	\$ -	\$ -	\$ 66,965,614	\$ 66,166,614	
Sep-12	\$ 60,000	\$ -	\$ 60,000	\$ 15,390,318	\$ 1,376,320	\$ 2,423,184	\$ 1,391,966	\$ 6,011,681	\$ 12,366,460	\$ 40,263,911	\$ 6,000,000	\$ 1,626,000	\$ -	\$ -	\$ -	\$ 400,000	\$ 86,237,820	\$ 86,337,820	
Oct-12	\$ 60,000	\$ -	\$ 60,000	\$ 9,000,000	\$ 1,460,000	\$ 2,763,880	\$ 1,102,206	\$ 3,087,883	\$ -	\$ -	\$ 2,300,000	\$ 1,626,000	\$ -	\$ -	\$ -	\$ 1,100,000	\$ 23,085,701	\$ 21,977,228	
Nov-12	\$ 50,000	\$ -	\$ 50,000	\$ 8,000,000	\$ 1,460,000	\$ 2,989,334	\$ 1,179,246	\$ 4,657,787	\$ -	\$ -	\$ 2,300,000	\$ 1,626,000	\$ -	\$ -	\$ -	\$ 2,100,000	\$ 25,811,246	\$ 23,711,246	
Dec-12	\$ 60,000	\$ -	\$ 28,102	\$ 8,000,000	\$ 1,460,000	\$ 3,161,861	\$ 1,433,787	\$ 6,861,707	\$ 380,707	\$ -	\$ 1,600,000	\$ 1,626,000	\$ -	\$ -	\$ -	\$ 2,860,939	\$ 28,338,247	\$ 26,652,113	
TOTALS 2012	\$ 3,816,346	\$ (26,812)	\$ 3,674,236	\$ 443,408,188	\$ 16,218,094	\$ 38,222,773	\$ 18,023,476	\$ 47,946,644	\$ 38,946,108	\$ 84,334,793	\$ 116,649,874	\$ 7,045,867	\$ -	\$ 25,168,826	\$ -	\$ 8,881,889	\$ 847,980,263	\$ 839,428,705	
Jan-13	\$ 60,000	\$ -	\$ -	\$ 10,662,666	\$ 1,211,312	\$ 2,948,314	\$ 2,160,032	\$ 1,380,476	\$ 812,278	\$ -	\$ 6,000,000	\$ 1,626,000	\$ -	\$ -	\$ 2,385,454	\$ 14,360,000	\$ 1,388,181	\$ 43,974,600	\$ 42,576,419
Feb-13	\$ 60,000	\$ -	\$ -	\$ 10,662,666	\$ 1,614,140	\$ 3,666,129	\$ 1,773,800	\$ 1,771,851	\$ 696,938	\$ -	\$ 8,000,000	\$ 1,626,000	\$ -	\$ -	\$ 2,386,454	\$ 2,162,960	\$ 2,734,976	\$ 33,822,890	\$ 31,087,616
Mar-13	\$ 4,118	\$ -	\$ -	\$ 10,662,666	\$ 878,406	\$ 2,899,882	\$ 179,395	\$ 3,660,947	\$ 37,000	\$ -	\$ 8,000,000	\$ 1,626,000	\$ -	\$ -	\$ 4,139,964	\$ 2,000,000	\$ 2,600,000	\$ 33,282,138	\$ 30,762,138
Apr-13	\$ -	\$ -	\$ -	\$ 9,662,666	\$ 828,410	\$ 1,830,146	\$ -	\$ -	\$ 636,428	\$ 2,548,217	\$ 8,269,147	\$ 1,679,143	\$ -	\$ -	\$ -	\$ -	\$ 1,943,903	\$ 27,186,947	\$ 26,243,044
May-13	\$ -	\$ -	\$ -	\$ 9,662,666	\$ 828,410	\$ 1,100,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,680,866	\$ 11,680,866
Jun-13	\$ -	\$ -	\$ -	\$ 9,662,666	\$ 825,000	\$ 1,200,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,677,555	\$ 11,677,555
Jul-13	\$ -	\$ -	\$ -	\$ -	\$ 228,463	\$ 1,814,236	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,042,698	\$ 2,042,698
Aug-13	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 687,014	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 687,014	\$ 687,014
Sep-13	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Oct-13	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Nov-13	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Dec-13	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTALS 2013	\$ 104,118	\$ -	\$ -	\$ 80,816,330	\$ 6,314,140	\$ 18,641,488	\$ 4,113,230	\$ 6,802,174	\$ 1,980,640	\$ 2,548,217	\$ 20,289,187	\$ 9,959,183	\$ -	\$ 8,910,862	\$ 18,502,850	\$ 8,678,068	\$ 184,124,608	\$ 166,666,450	
GRAND TOTAL	\$ 39,388,483	\$ 3,989,138	\$ 24,416,844	\$ 807,129,181	\$ 51,740,328	\$ 97,940,089	\$ 46,933,184	\$ 144,879,915	\$ 186,434,466	\$ 89,419,963	\$ 185,919,163	\$ 13,690,086	\$ -	\$ 38,101,192	\$ 18,502,850	\$ 39,719,822	\$ 1,893,000,888	\$ 1,843,288,178	
Prior Forecast	\$ 41,228,996	\$ 3,969,138	\$ 24,416,844	\$ 796,929,381	\$ 48,240,328	\$ 97,940,089	\$ 40,789,200	\$ 144,121,916	\$ 186,434,466	\$ 86,302,673	\$ 185,919,163	\$ 13,690,086	\$ -	\$ 38,101,192	\$ 34,878,782	\$ 30,719,822	\$ 1,673,000,001	\$ 1,685,321,660	
Delta	\$ (1,840,513)	\$ 0	\$ 0	\$ 10,200,000	\$ (3,500,000)	\$ 0	\$ 8,143,984	\$ 2,758,000	\$ 0	\$ 2,117,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 220,000,000	\$ (142,033,482)	
PTD Expended	\$ 39,041,365	\$ 3,969,138	\$ 23,838,741	\$ 878,214,679	\$ 40,249,858	\$ 88,329,698	\$ 29,729,770	\$ 110,024,937	\$ 87,465,640	\$ 43,140,288	\$ 128,943,906	\$ 45,867	\$ -	\$ 19,185,780	\$ -	\$ 15,737,167	\$ 1,298,426,744	\$ 1,282,689,608	

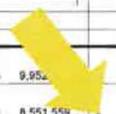
Other Minor:  
 Start up vendor support \$329K  
 Instrumentation and Control Support \$120K  
 Simulator Support \$298K  
 Lead Pump Cracked Casing \$28K  
 SDN Resolution \$152K  
 Vendor Support \$1,075K  
 Transport of tube bundles \$350K \$252K  
 Implementation: J3 & 4 Updates \$8.8M  
 \$2.8M  
 Rental equipment \$3.1M  
 Other contractor support \$.95M  
 Sparger Repairs \$.97M  
 Minus \$5M  
 Reduced early payment credit \$2.2M  
 Excess funds moved to other line items \$5.5M  
 Resident and Field Engineering Support \$13.5M

OPC Witness Jacobs's \$163 Million of Errors in \$215 Million False Accusation Exhibit TOJ - 27, Page 7 of 10  
 Docket No. 130009-ET

CONFIDENTIAL

PTN EPU Monthly Variance

July Forecast vs. Actual																	
MONTH / YEAR	1	2	3	4	5	6	7	8	9	10	11	14	12	13	20	TOTALS	
					FPLENG.	FPL PM	MINOR ENGINEERING AND OTHER	LONGLEAD MATERIAL			Implementation Support Contractors		STATION OUTAGE CHARGES	R76K	D&M		
Forecast	\$ 800,000	\$ -	\$ 250,000	\$ 50,000,000	\$ 1,550,000	\$ 3,323,184	\$ 2,014,793	\$ 4,561,139	\$ 9,624,442	\$ 3,660,044	\$ 13,738,769	\$ -	\$ 2,784,565	\$ -	\$ 500,000	\$ 92,708,926	
Actual	\$ 145,882	\$ -	\$ 955,846	\$ 47,751,993	\$ 1,530,996	\$ 3,495,202	\$ 995,510	\$ 1,916,212	\$ 5,372,413	\$ 1,262,645	\$ 23,583,450	\$ 45,857	\$ 4,181,705	\$ -	\$ 667,941	\$ 91,905,852	
Diff (forecast-actual)	\$ 654,118	\$ -	\$ (705,846)	\$ 2,248,007	\$ 19,004	\$ (172,018)	\$ 1,019,283	\$ 2,644,927	\$ 4,252,029	\$ 2,297,399	\$ (9,844,681)	\$ (48,857)	\$ (1,397,150)	\$ -	\$ (167,941)	\$ 801,274	
	Accrual estimate adjustment		Increased engineering support for one outage				Misc email vendors	Payment schedule changed for [REDACTED]	Completion of U3 milestone schedule change	Reduced early payment credit \$2.2M	Outage extension caused additional costs for [REDACTED] and startup testing Group		Outage extension caused additional costs for Operations and Maintenance operations				
2012 July Budget vs. Actual																	
	1	2	3	4	5	6	7	8	9	10	11	14	12	13	20	TOTALS	
Budget	\$ -	\$ -	\$ -	\$ 4,182,560	\$ 985,000	\$ 1,500,000	\$ 1,416,921	\$ 2,712,314	\$ 3,803,597	\$ 3,824,625	\$ 4,024,527	\$ -	\$ -	\$ 10,776,037	\$ 3,091,903	\$ 35,937,474	
Actual	\$ 145,882	\$ -	\$ 955,846	\$ 47,751,993	\$ 1,530,996	\$ 3,495,202	\$ 995,510	\$ 1,916,212	\$ 5,372,413	\$ 1,262,645	\$ 23,583,450	\$ 45,857	\$ -	\$ 4,181,705	\$ 667,941	\$ 91,905,852	
Diff (budget-actual)	\$ (145,882)	\$ -	\$ (955,846)	\$ (43,559,443)	\$ (935,996)	\$ (1,995,202)	\$ 421,411	\$ 796,102	\$ (1,568,816)	\$ 2,601,980	\$ (19,558,823)	\$ (45,857)	\$ -	\$ (4,181,705)	\$ 10,776,037	\$ 2,423,962	
2012 July YTD Budget vs. YTD Actual																	
	1	2	3	4	5	6	7	8	9	10	11	14	12	13	20	TOTALS	
Budget	\$ 1,677,337	\$ 111,384	\$ 40,256	\$ 144,947,263	\$ 4,575,000	\$ 10,500,000	\$ 9,918,449	\$ 25,997,508	\$ 26,234,595	\$ 23,340,614	\$ 34,894,459	\$ -	\$ 13,868,281	\$ 14,316,037	\$ 7,108,020	\$ 316,757,223	
Actual	\$ 3,568,346	\$ (28,512)	\$ 2,996,234	\$ 375,408,816	\$ 9,141,774	\$ 21,253,960	\$ 10,933,340	\$ 19,404,620	\$ 21,057,923	\$ 40,604,215	\$ 92,843,764	\$ 45,857	\$ -	\$ 16,184,248	\$ 2,146,952	\$ 617,541,536	
Diff (budget-actual)	\$ (1,890,999)	\$ 137,896	\$ (2,955,978)	\$ (230,461,553)	\$ (4,566,774)	\$ (10,753,960)	\$ (1,014,891)	\$ 6,592,888	\$ 4,176,672	\$ (17,263,601)	\$ (57,949,305)	\$ (45,857)	\$ -	\$ (4,267,966)	\$ 14,316,037	\$ (300,784,313)	
2012 YE Budget																	
	1	2	3	4	5	6	7	8	9	10	11	14	12	13	20	TOTALS	
Total 2012 Budget	\$ 1,877,337	\$ 111,384	\$ 40,256	\$ 144,947,263	\$ 7,550,000	\$ 18,000,000	\$ 11,906,074	\$ 54,792,182	\$ 59,833,063	\$ 37,896,580	\$ 63,268,861	\$ -	\$ 24,318,491	\$ 104,143,000	\$ 9,952,000	\$ 538,576,546	
Total 2012 Current Forecast	\$ 3,816,346	\$ (28,512)	\$ 3,574,336	\$ 443,408,168	\$ 16,316,094	\$ 36,222,773	\$ 18,023,478	\$ 47,946,544	\$ 38,046,106	\$ 84,334,793	\$ 116,546,874	\$ 7,045,857	\$ -	\$ 26,168,626	\$ -	\$ 855,155,000	
Diff (budget-forecast)	\$ (1,939,009)	\$ 137,896	\$ (3,534,080)	\$ (298,460,905)	\$ (8,766,094)	\$ (17,222,773)	\$ (6,117,402)	\$ 6,815,638	\$ 21,786,954	\$ (46,438,213)	\$ (53,280,993)	\$ (7,045,857)	\$ -	\$ (860,335)	\$ 104,143,000	\$ (306,403,718)	
Total Project Budget																	
	1	2	3	4	5	6	7	8	9	10	11	14	12	13	20	TOTALS	
Total EPU Budget	\$ 38,071,059	\$ 3,557,536	\$ 20,945,776	\$ 427,890,073	\$ 39,477,782	\$ 65,673,266	\$ 30,758,407	\$ 147,906,238	\$ 123,651,185	\$ 42,528,858	\$ 117,624,314	\$ -	\$ 28,408,818	\$ 114,143,000	\$ 28,892,349	\$ 1,229,498,503	
Total EPU Forecast	\$ 39,395,463	\$ 3,869,138	\$ 24,416,843	\$ 807,129,361	\$ 53,740,309	\$ 97,940,008	\$ 40,933,136	\$ 145,978,035	\$ 106,434,466	\$ 89,419,063	\$ 185,919,163	\$ 13,500,000	\$ -	\$ 35,101,192	\$ 18,902,890	\$ 1,693,000,000	
Diff (budget-forecast)	\$ (1,324,424)	\$ (311,602)	\$ (3,471,067)	\$ (379,239,288)	\$ (14,262,527)	\$ (32,266,742)	\$ (10,174,729)	\$ 1,927,203	\$ 17,216,720	\$ (46,890,205)	\$ (68,294,849)	\$ (13,500,000)	\$ -	\$ (8,692,374)	\$ 95,691,050	\$ (463,501,497)	



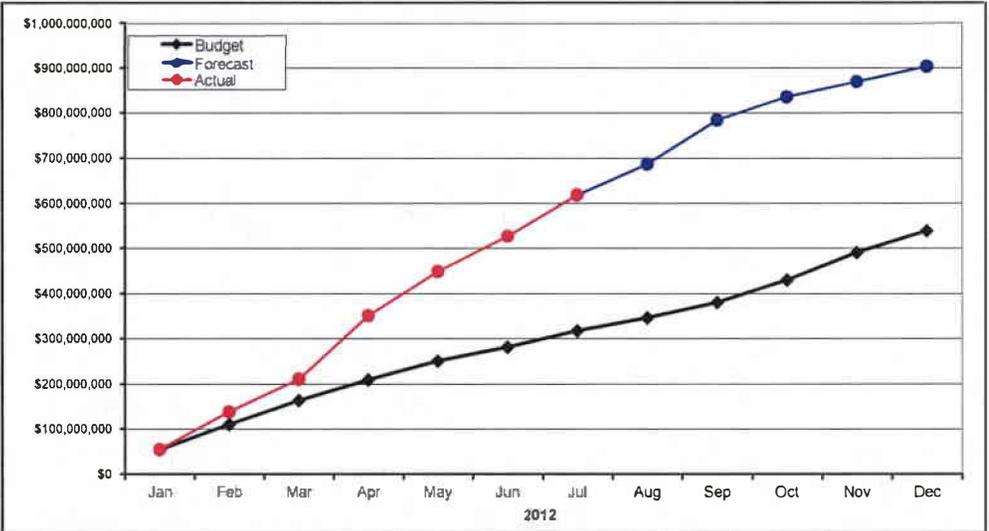
FPL 006125  
NCR-13

OPC Witness Jacob's \$163 Million of Errors in  
 \$215 Million False Accusation  
 Exhibit TOI - 27, Page 8 of 10

Total Project Cash Flow  
PTN EPU Project 2012

**PTN Extended Power Uprate (EPU) Project**  
Account #:066730  
Data As Of: July 2012

Annual Budget vs. Forecast				X	Calculated by (current forecast / annual budget)-1 = variance percentage \$21,098,185 / 538,576,546 = 5246
Indicator Criterion	Forecast within current approved annual project budget +1% or -3%	Forecast differs from current approved annual project budget by no more than +5% or -10%	Forecast difference from current approved annual project budget is between +5% and +10% or -10% or -20%	Forecast differs from current approved annual project budget by more than +10% or -20%	



Total Project Cost Summary

By Year	Prior Year Actuals	2010	2011	2012	Future Yrs	Total
Total	\$ 163,428,501	\$ 166,138,572	\$ 317,778,660	\$ 538,576,546	\$ 43,576,224	\$ 1,229,498,503

Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2011 Summary
-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	--------------

2012 Annual Budget

Monthly Total	54,166,632	55,991,151	52,925,864	46,206,031	41,311,156	30,218,916	35,937,474	29,226,011	33,952,999	49,530,654	60,800,933	48,308,725	To-Date	Go	Total
Cumulative Total	54,166,632	110,157,783	163,083,647	209,289,678	250,600,834	280,819,750	316,757,224	345,983,235	379,936,234	429,466,888	490,267,821	538,576,546	538,576,546	-	538,576,546

2012 Actuals / Forecast

Monthly Total	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Forecast	Forecast	Forecast	Forecast	Forecast	To-Date	To	Total
Monthly Total	53,978,669	83,065,938	72,721,661	140,568,949	97,742,307	77,568,460	91,905,652	68,855,614	97,112,525	51,368,951	33,662,996	34,370,349			
Cumulative Total	53,978,669	137,044,507	209,766,168	350,325,117	448,067,424	525,635,884	617,541,536	686,397,150	783,509,675	834,878,626	868,541,622	902,911,971	902,911,971	-	902,911,971

2012 Monthly Forecast Variance

Forecast	56,296,767	89,420,938	85,745,690	77,299,367	93,210,368	77,568,460	92,706,926	68,855,614	97,112,525	51,368,951	33,662,996	34,370,349			
Actual	53,978,669	83,065,938	72,721,661	140,568,949	97,742,307	96,490,352	91,905,652								
Variance	(1,318,198)	(6,355,000)	(13,024,029)	(3,269,682)	(4,631,839)	18,921,892	(801,274)								

**CAPEX Variances to Plan  
 Better / (Worse)**

Category of Expense	CM Actual	CM Plan	CM	YTD Actual	YTD Plan	YTD	YE Est	YE Plan	Est	Variance Explanations
<b>INCREMENTAL NCRC CAPEX</b>										
	146	-	(146)	3,566	1,877	(1,689)	3,816	1,877	(1,939)	CM/YTD: Unfavorable \$0.1M CM and \$1.7M YTD variance due to increased LAR and Mod scope. YE: Unfavorable \$1.9M variance due to Increased LAR and Modification support.
	-	-	-	169	111	(57)	169	111	(57)	YTD/YE: Unfavorable \$0.06M variance due to purchase order (PO) close out.
	956	-	(956)	2,996	40	(2,956)	3,574	40	(3,534)	CM/YTD: Unfavorable \$1.8M CM and \$3.0M YTD variance primarily due to increased modification support. YE: Unfavorable \$3.5M variance due to additional modification support.
	47,752	4,193	(43,559)	375,409	144,947	(230,462)	443,408	144,947	(298,461)	CM/YTD: Unfavorable \$43.6M CM and \$230.6M YTD variance due to the reclassification of projected payments to prepaid expenses. Remaining difference due to increased staffing to support 3R26 outage. YE: Unfavorable \$298.5M variance due to increased staffing to support updated estimates for 3R26 outage.
FPL ENGINEERING	1,531	483	(1,048)	9,211	3,717	(5,494)	16,387	6,134	(10,253)	CM/YTD: Unfavorable \$1.0M CM and \$5.5M YTD variance due to increased staffing. YE: Unfavorable \$10.3M variance due to increased staffing ramp to support 3R26 outage and staff augmentation to support owner's reviews.
FPL PROJECT MANAGEMENT	3,440	1,690	(1,750)	21,198	11,919	(9,279)	36,429	20,369	(16,060)	CM/YTD: Unfavorable \$1.6M CM and \$9.3M YTD variance due to increased staffing for FPL oversight and field support. YE: Unfavorable \$16.1M variance due to increased FPL oversight and field support.
OTHER	996	1,417	421	10,933	9,918	(1,015)	18,023	11,906	(6,117)	YTD: Unfavorable \$1.0M variance due to increased outside engineering to ensure timely design completion. YE: Unfavorable \$6.1M variance due to supplemental outside engineering support to maintain 3R26 outage.
FPL LONG LEAD MATERIAL	1,916	2,712	796	19,688	25,998	6,309	48,230	54,762	6,532	CM/YTD: Favorable \$0.8M CM and \$6.3M YTD variance as a result of revised milestone payments. YE: Favorable \$6.5M variance as a result of revised milestone payments.
	5,372	3,804	(1,568)	21,058	25,235	4,177	38,046	59,833	21,787	CM: Unfavorable \$1.6M CM variance as a result of a revised milestone payment. YTD: Favorable \$4.2M variance due to updated milestone payments. YE: Favorable \$21.8M variance reflects revised contract payment plan.
	1,263	3,825	2,562	40,604	23,341	(17,264)	84,335	37,867	(46,468)	CM: Favorable \$2.6M variance due to updated work plan. YTD: Unfavorable \$17.3M variance due to updated work plan and final contract. YE: Unfavorable \$46.5M variance reflects revised contract payment plan.
PLANT CRAFT SUPPORT	23,583	3,220	(20,364)	95,192	27,916	(67,276)	118,898	50,615	(68,283)	CM/YTD: Unfavorable \$20.4M CM and \$67.3M YTD variance due to revised staffing ramp needed to support the 3R26 outage and scope reassignment to additional contractors. Disclosure: \$2.7M for invoices accrued at a high level after month-end close. YE: Unfavorable \$68.3M variance due to updated work schedule and scope reassignment to additional contractors.
OUTAGE EXTENSION	4,182	955	(3,227)	15,565	22,697	7,132	26,432	40,243	13,811	CM/YTD: Unfavorable \$3.2M CM due to revised staffing ramp. Favorable \$7.1M YTD variance due to revised staffing ramp and outage schedule revision. YE: Favorable \$13.8M variance due to updated work schedule.
SCOPE GROWTH	-	10,776	10,776	-	14,316	14,316	2,000	104,143	102,143	CM/YTD: Favorable \$10.8M CM and \$14.3M YTD variance due to trend and risk resolution. YE: Favorable \$102.1M variance due to allocation of scope growth to appropriate category of expenses such as support.
	46	-	(46)	46	-	(46)	7,048	-	(7,048)	CM/YTD: Unfavorable \$0.04M CM and \$0.04M YTD variance due to a break out of Bechtel scope reduction.
<b>Total Incremental NCRC CAPEX</b>	<b>91,182</b>	<b>33,074</b>	<b>(58,108)</b>	<b>618,636</b>	<b>312,033</b>	<b>(306,603)</b>	<b>846,794</b>	<b>532,849</b>	<b>(313,945)</b>	
<b>NON-INCREMENTAL PTN CAPEX</b>										
BA 00546	55	63	8	743	460	(283)	1,076	778	(298)	YTD/YE: Unfavorable \$0.3M YTD/YE variance due to an entry performed in January 2012 to reclassify payroll from incremental capital to non-incremental capital from Q4 2011 & May 2012 entry for Q1 2012.
PTN3 EPU ASBESTOS REMEDIATION	(212)	-	212	3,519	1,368	(2,152)	3,619	1,368	(2,250)	CM: Favorable \$0.2M CM variance due to shift in the schedule. YTD: Unfavorable \$2.2M YTD variance due to timing of budgeted remediation. YE: Unfavorable \$3.4M YE variance due to increased discovery.
PTN4 EPU ASBESTOS REMEDIATION	-	-	-	-	-	-	3,265	2,551	(714)	
50% of BASE CAPITAL CHARGED TO BRC 066730	6	24	18	175	169	(6)	296	289	(7)	
<b>Total Non-Incremental PTN CAPEX</b>	<b>(151)</b>	<b>88</b>	<b>239</b>	<b>4,438</b>	<b>1,997</b>	<b>(2,441)</b>	<b>8,256</b>	<b>4,986</b>	<b>(3,270)</b>	
<b>Total Reported Capital (checkbook)</b>	<b>91,031</b>	<b>33,162</b>	<b>(57,869)</b>	<b>620,074</b>	<b>314,030</b>	<b>(306,044)</b>	<b>855,051</b>	<b>537,835</b>	<b>(317,215)</b>	
<b>Total Capital Direct Costs</b>	<b>91,031</b>	<b>33,162</b>	<b>(57,869)</b>	<b>620,074</b>	<b>314,030</b>	<b>(306,044)</b>	<b>855,051</b>	<b>537,835</b>	<b>(317,215)</b>	
<b>REMOVAL COST DISCLOSURE</b>										
PTN 3 SECOND OUTAGE REMOVAL COST	(1)	-	1	27,576	27,620	44	27,676	27,620	44	
PTN 4 SECOND OUTAGE REMOVAL COST	-	-	-	-	-	-	18,981	18,981	-	
<b>Total Removal Cost Disclosure</b>	<b>(1)</b>	<b>-</b>	<b>1</b>	<b>27,576</b>	<b>27,620</b>	<b>44</b>	<b>46,657</b>	<b>46,601</b>	<b>44</b>	
AFUDC	129	-	(129)	717	-	(717)	717	-	(717)	
PTN AFUDC INCREMENTAL	9	-	(9)	50	-	(50)	50	-	(50)	
PTN AFUDC NON-INCREMENTAL	120	-	(120)	667	-	(667)	667	-	(667)	
<b>Total AFUDC</b>	<b>138</b>	<b>-</b>	<b>(138)</b>	<b>766</b>	<b>-</b>	<b>(766)</b>	<b>766</b>	<b>-</b>	<b>(766)</b>	

**Risks to Year End Forecast:**

An accounting change was implemented effective March 31, 2012 to discontinue the reclassification of Bechtel's projected payments to prepaid expenses. The accounting policy change accelerates the recognition of Bechtel cash flows as project cost. The accounting policy change also introduces greater monthly volatility in how FPL recognizes monthly project costs. Significant variations in actual costs versus forecast costs may occur simply as a result of not authorizing a Bechtel invoice for payment in NAMs by

Docket No. 130009-EI  
 OPC Witness Jacobs's \$163 Million of Errors in  
 \$215 Million False Accusation  
 Exhibit TOJ - 27, Page 10 of 10



